

EXHIBIT Z

[Back to Full Graphics](#)

BASIC INFORMATION

Full Country Name: The Occupied Palestinian Territories

Country Profile: The Occupied Palestinian Territories



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Area: 6165 square kms

Population: Palestinian Central Bureau of Statistics estimate for 2007 approx. 4m. Outside the Occupied Territories, there are between 4.5m and 5m Palestinians. The largest number, between 2.5m and 2.8m, live in Jordan.

People: Arab

Language(s): Arabic. English is widely spoken

Religion(s): Muslim (97%), Christian (3%)

Currency: New Israeli Shekel, Jordanian Dinar (West Bank Only)

Major political parties: Fatah, PFLP, DFLP, FIDA, People's

Party, Hamas (all except Hamas are members of the PLO); 88 elected member Palestinian Legislative Council (PLC)

President of The Occupied Palestinian Territories : Mahmoud Abbas (also known as Abu Mazen)

Prime Minister: Salam Fayyad

Foreign Minister: Dr Riyad al-Maliki

GEOGRAPHY

The West Bank is an area of 5800 square kms - roughly 130 km long and 40-65 km wide. It is hilly and for the most part rugged terrain, which changes from desert and scrub landscape in the south to more lush vegetation in the north. The West Bank has an average elevation of 750m, but it also comprises Jericho and the shores of the Dead Sea which, at 390m below sea level, forms the lowest point on earth.

The Gaza Strip is an area of 365 square kms - some 45 km long and 5-12 km wide. The region is mostly flat and the soil is sandy.

HISTORY

For a comprehensive historical perspective please visit the [Middle East Peace Process](#) section of the FCO website.

POLITICS

The Palestinian Authority was established in May 1994 following the signature of the Oslo Accord (which included the Declaration of Principles) in September 1993. The Interim Agreement (1995) gave the PA legislative, executive and judicial authority (but not sovereignty) and paved the way for the first presidential and legislative elections in January 1996.

Mahmoud Abbas became President on 15 January 2005 after winning the majority of the vote in presidential elections held on 9 January 2005. He replaced Yasser Arafat, who passed away on 11 November 2004.

Palestinian Legislative Council elections were held on 25 January 2006 (the first parliamentary elections since 1996). Hamas won 74 out of the 132 seats. On 29 March 2006 the newly appointed, Hamas-nominated, 24-member Cabinet of the Palestinian National Authority was sworn in.

Following an escalation in intra-Palestinian violence, Hamas and Fatah agreed, in Mecca, to form a National Unity Government (NUG) on 8 February 2007. The coalition government was sworn in on 17 March 2007, headed by Prime Minister Haniya (Hamas), with Independent Ministers of Finance, Home and Foreign Affairs. But intra-Palestinian violence continued and during May there was a dramatic upsurge in both intra-Palestinian factional violence and Israeli-Palestinian violence. On 10 June, the violence in Gaza increased with reports of kidnappings, public executions and looting, culminating in Hamas seizing full control of Gaza. On 14 June, President Abbas dissolved the NUG and declared a state of emergency. On 17 June, he announced the formation of an emergency Palestinian Government headed by Salam Fayyad who also serves as Finance Minister. The Government is currently made up of Independent and Fatah Ministers.

Jerusalem

Under the UN partition resolution (1947) Jerusalem was to be a 'corpus separatum' under a UN administered Special Regime. But in the 1948 war, Israel occupied West Jerusalem and Jordan occupied East Jerusalem, including the Old City.

In the 1967 war, Israel also occupied East Jerusalem. The Israeli government immediately extended its civil law to the whole city, simultaneously greatly enlarging the municipal boundaries into the West Bank. This purported annexation of East Jerusalem was affirmed in 1980 when Israel enacted its 'Jerusalem Law', formally declaring East and West Jerusalem together, 'whole and united', to be 'the capital of Israel'.

The Declaration of Principles and the Interim Agreement left the issue of Jerusalem to be decided in "permanent status" negotiations between the two parties.

The UK position on Jerusalem

The UK position was formally expressed in April 1950, when HMG extended simultaneous de jure recognition to both Jordan and Israel. However, the statement withheld recognition of the sovereignty of either Jordan or Israel over the sectors of the city which each then held, within the area of the corpus separatum as stipulated in UN General Resolutions 181 of 1947 and 303 (IV) of 1949. In the British view, no such recognition was possible before a final determination of the status of this area, although HMG did recognise that both Jordan and Israel exercised 'de facto authority' over those parts of the city and area which each held.

Since the war of 1967, HMG has regarded Israel as being in military occupation of East Jerusalem, and in this connection subject to the rules of law applicable to such an occupation, in particular the Fourth Geneva Convention of 1949. HMG also holds that the provisions of Security Council Resolution 242 (1967) on the withdrawal of Israeli armed forces from territories occupied in the 1967 war applies to East Jerusalem. The Venice Declaration and subsequent statements (both by the UK alone and with EU partners) have made clear that unilateral attempts to change the status of Jerusalem are invalid.

The UN Security Council unanimously adopted Resolution 478 of 1980 in response to the Israeli annexation, declaring it to be a violation of international law. The UK rejects the Israeli measures taken in 1980 to change the status of Jerusalem.

Our Embassy to Israel is in Tel Aviv, not Jerusalem. In East Jerusalem we have a Consulate-General, with a Consul-General who is not accredited to any state: this is an expression of our view that no state has sovereignty over Jerusalem. The UK believes that the city's status has yet to be determined, and maintains that it should be settled in an overall agreement between the parties concerned.

The British Government supports the right of the Palestinian people to establish a sovereign and independent Palestinian state and looks forward to early fulfilment of this right, provided there is a concomitant recognition of Israel's right as a state, and the right of its citizens to live in peace with security.

ECONOMY

As a result of Israeli restrictions imposed both within the West Bank and Gaza Strip and on Palestinian external economic relations since the start of the Intifada (uprising) in September 2000, the economy has been fragmented. Significant damage has been done to infrastructure, and economic activity and incomes have contracted very sharply. Levels of poverty have increased dramatically, and much of the population is now dependent on food aid.

Basic Economic Facts (based on 2006 date)

Nominal GDP: US\$4.39bn
Nominal GDP per capita: US\$1,764
Exports: \$0.5bn
Export (% growth from 2005): \$-10.2bn
Import: \$3.5bn
Trade: 91.4% of GDP
Unemployment: 23.6%

Major Industries: Small family businesses producing construction materials, textiles and metal goods
Major trading partners: Israel, Jordan

 **UK Trade & Investment country profile: West Bank and Gaza**

INTERNATIONAL RELATIONS

The Palestinian Authority's relations with Israel are covered in the **Middle East Peace Process** section of the FCO website.

THE PALESTINIAN AUTHORITY'S RELATIONS WITH THE UK

The British Consulate General in Jerusalem handles day-to-day relations between the UK and the Palestinian Authority. Its Consular district covers Jerusalem (West and East), the West Bank and Gaza. As well as work on the Middle East Peace Process and other political issues, the Consulate also promotes trade between the UK and the Occupied Palestinian Territories and manages an extensive programme of aid and development work. The latter is undertaken primarily by the DFID office in Jerusalem.

Her Majesty's Consul-General in Jerusalem is Richard Makepeace.

The Palestinian Authority is represented in London by Manuel Hassassian, the Palestinian General Delegate to the United Kingdom, 5 Galena Road, London W6 0LT.

UK Development Assistance

The UK Department for International Development's Palestinian programme is a high profile assistance programme dealing with the complex issues surrounding the conflict in Israel and the Occupied Palestinian Territories. With a team of people based in Jerusalem and London, DFID manage an annual programme of £30 million in assistance to the Palestinian people.

Political uncertainty, economic decline and worsening insecurity have characterised the last year and impacted greatly on efforts to reduce poverty in the Occupied Palestinian Territories. In January 2006 the 'Quartet' (EU, Russia, US and UN) set out three principles with which the Hamas-led Palestinian Authority (PA) had to comply in order for support to continue. These were:

- renunciation of violence;
- recognition of Israel; and
- acceptance of previous peace agreements.

The Hamas-led government failed to adopt these principles and as a result, the UK and many other donors suspended financial and technical assistance through the PA. However, the UK and other donors are committed to continue supporting the Palestinian people. One of our greatest achievements has been the lead role we played in the design and implementation of the Temporary International Mechanism (TIM), a funding mechanism to provide direct assistance to the Palestinian people following the suspension of donor budget support to the PA.

In addition to the annual £30 million budget in 2006/07, DFID also provided £40 million through EU contributions. Total EU aid to the Palestinians for 2006, at around €680 million, was higher in 2006 than in 2005.

Since 2004 our assistance programme in the Occupied Palestinian Territories has been built around supporting the

Palestinian Authority (PA) and the United Nations Relief and Works Agency (UNRWA), to help end conflict and create a viable and prosperous Palestinian state. Our judgement is that, for now, the overall direction outlined in the 2004 DFID Country Assistance Plan (CAP) for Palestinians remains valid. The Palestinian Programme's three main objectives remain:

- More effective, accountable and inclusive PA institutions;
- Humanitarian and development assistance delivered more effectively; and
- Enhanced prospects for peace.

We have successfully adapted our programme with these objectives in mind to continue targeted and valuable support.

Trade and Investment with the UK

UK trade with the Palestinians is limited, but BG (formerly British Gas) has discovered substantial gas reserves off Gaza. This gas is by far the most valuable Palestinian natural resource, and could become a very important element of the Palestinian economy.

Cultural Relations with the UK

The British Council's activities in the Occupied Palestinian Territories are run from their offices in East Jerusalem, headed by Dr Ken Churchill. The British Council also have staff in Gaza, Ramallah, Nablus and Hebron. See more information about this on **The British Council**

The Press and Public Affairs section at the Consulate-General also aims at advancing and enhancing British-Palestinian relations, while promoting values of democracy, human rights and good government through making information about the UK available and accessible.

HUMAN RIGHTS

On several occasions the Palestinian Authority has stated its commitment to respecting all internationally recognised human rights standards and to incorporating them fully into Palestinian law.

The practice of detention without trial or charge continues to be used, and beatings and torture are not uncommon in Palestinian detention centres. The death penalty still exists, and was used as recently as 2006. The Palestinian Authority has also refused to condemn the use of violence for political purposes and the targeting of civilians.

Recent Visits

Inward

- Feb 07: Rt Hon Margaret Beckett
- Dec 06: Rt Hon Tony Blair MP, Prime Minister
- Dec 06: Tony Blair, Prime Minister
- Dec 06: Hilary Benn, International Development Secretary
- Sept 06: Tony Blair, Prime Minister
- July 06: Dr Kim Howells

USEFUL LINKS AND PAPERS

 **Jerusalem: British Consulate-General**

British Council Palestinian Territories